

Message Text

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FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 9424

INFO USDEL MTN GENEVA

USUN NEW YORK 1052

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E.O. 11652: N/A

TAGS: ETRD, MTN, MX

SUBJECT: MTN COUNTRY PROFILES: MEXICO

REF: STATE 181868; MEXICO A-69 OF 3/5/75; MEXICO A-298 OF 7/29/75;
MEXICO 6950; GENEVA 6117; GENEVA 6168; MEXICO 7040

1. SUMMARY: POLITICAL AND IDEOLOGICAL REALITIES IN MEXICO
SPRING TO A LARGE DEGREE FROM ATTITUDES AND ACTIONS OF
PRESIDENT ECHEVERRIA, WHO IS BECOMING INCREASINGLY INVOLVED
IN THIRD WORLD MACHINATIONS, AND IS ACTIVELY SEEKING UN SECRETARY
GENERAL JOB FOLLOWING END OF HIS TERM IN DECEMBER 1976.
ECONOMIC REALITIES INCLUDE A \$3 BILLION DOLLAR PLUS CURRENT
ACCOUNT DEFICIT IN 1975, A PREDICTED INFLATION RATE OF SOME
20 PERCENT, STAGNANT PRIVATE SECTOR INVESTMENT, AND REAL
GROWTH PROSPECTS IN THE 4-4.5 PERCENT RANGE, JUST HIGHER THAN
MEXICO'S (3.5 PERCENT) POPULATION GROWTH. NEVERTHELESS,
MEXICO THOUGH NOT A GATT MEMBER IS ACTIVE IN MTNS, AND FOR
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A DEVELOPING COUNTRY BRINGS A RATHER HIGH LEVEL OF ADROITNESS

AND EXPERTISE TO THE NEGOTIATIONS. MEXICAN TREASURY PROVIDES BY FAR GREATEST INPUT INTO TRADE POLICY FIELD, THOUGH OTHER AGENCIES HAVE REAL INTEREST. THIS CABLE OUTLINES MEXICO'S POLICY IN AREA OF INTERNATIONAL TRADE, AND IDENTIFIES KEY GOM OFFICIALS IN CHARGE. END SUMMARY

2. ITEM TWO. POLITICAL REALITIES OF MEXICO CENTER ON PERSONALITY AND POLICIES OF PRESIDENT LUIS ECHEVERRIA, WHOSE SIX-YEAR TERM OF OFFICE EXPIRES IN DECEMBER 1976. ECHEVERRIA PURSUES A VIGOROUS, THIRD WORLD-ORIENTED POLICY MARKED BY SHARP RHETORIC CRITICAL OF THE DEVELOPED WORLD, AND OFTEN TROUBLESOME TO THE U.S. RECENT EXAMPLE OF THIS WAS JULY-AUGUST 14-NATION THIRD WORLD TOUR UNDERTAKEN BY MEXICAN PRESIDENT, DURING WHICH HE REPEATEDLY ATTACKED DEVELOPED WORLD, ANNOUNCED MEXICAN CLAIM TO 200-MILE PATROMONIAL SEA, SOUGHT MEETING WITH PLO LEADER ARAFAT, AND IN GENERAL PROJECTED IMAGE OF TERCERMUNDISMO. GIVEN THIS ONE-MAN DOMINATION OF MEXICAN FOREIGN POLICY, MEXICAN LINES OF ACTION HARD TO COMPREHEND WITHOUT SOME IDEA OF WHAT MOTIVATES MEXICAN PRESIDENT (THIS THEME DEVELOPED IN REF. B.) IN SUMMARY, ECHEVERRIA SEEMS TO BE A MAN WHO IS DEEPLY CONCERNED ABOUT THE ECONOMIC DEVELOPMENT OF HIS COUNTRY AND THE THIRD WORLD, AND WHO HAS CONVINCED HIMSELF THAT HE HAS THE ANSWERS TO TROUBLESOME WORLD PROBLEMS--"SOLUTIONS" WHICH ARE FAMILIAR TO THOSE ACCUSTOMED TO THEWARMER VERSIONS OF CURRENT THIRD WORLD RHETORIC. HE IS ENCOURAGED IN THESE VIEWS BY HIS LEFT-LEANING WIFE, HER CLOSE FRIEND, THE WIDOW OF FORMER CHILEAN PRESIDENT SALVADOR ALLENDE, WHO LIVES OFF THE ECHEVERRIAS' HOSPITALITY, AND AN AMORPHOUS NUMBER OF ADVISERS COMPOSED IN PART OF PRO-ALLENDE EXILES. PRESIDENT ECHEVERRIA WANTS VERY MUCH TO REPLACE KURT WALDHEIM AS SYG OF THE UN. MANY THOUGHTFUL OBSERVERS BELIEVE THAT THE RECENT THIRD WORLD TOUR MENTIONED ABOVE HAD AS ITS PRIMARY REASON THE DRUMMING UP OF SUPPORT FOR HIS CANDIDACY.

3. OFFICIALLY, THE DIALOGUE OF MEXICAN FOREIGN POLICY IS (SEE REF. B): NON-INTERVENTION; SELF-DETERMINATION OF STATES; IDEOLOGICAL PLURALISM; REJECTION OF POLITICAL OR ECONOMIC HEGEMONIES, DEFENSE OF THE THIRD WORLD; DENUNCIATION OF IDEOLOGICAL BORDERS; ECONOMIC INTEGRATION OF LIMITED OFFICIAL USE

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LATIN AMERICA; TOTAL DISARMAMENT; JUST AND EQUITABLE ECONOMIC RELATIONS BETWEEN STATES; AND A PATRIMONIAL SEA. MEXICO DOES GENERALLY ADHERE TO THESE PRINCIPLES, AND THEY ARE REPEATED HERE BECAUSE WE BELIEVE THAT A CAREFUL READING OF THEM WILL GIVE IMPORTANT CLUES AS TO THE IDEOLOGICAL LINE WHICH MEXICO CAN BE EXPECTED TO TAKE IN TOKYO ROUND NEGOTIATIONS, AT LEAST THROUGH THE BALANCE OF THE ECHEVERRIA ADMINISTRATION.

4. MTN ISSUES. FORTUNATELY, THIS MEXICAN POLITICAL BIAS HAS NOT, AS YET AT LEAST, INTERFERED TO ANY CONSIDERABLE DEGREE WITH ITS HANDLING AT WORKING LEVEL OF MTN ISSUES AND ITS RELATIONSHIP WITH GATT MEMBER COUNTRIES. WE UNDERSTAND THAT MEXICAN DELEGATION, SHOWING INITIATIVES THAT DISPLAY CONSIDERABLE ADROITNESS IN MTN AFFAIRS, HAS IN GENERAL WORKED IN A USEFUL WAY IN NEGOTIATING PROCESS. IN THIS REGARD, IT SHOULD BE REMEMBERED THAT ECHEVERRIA-STYLE SHRILLNESS IN INTERNATIONAL FORA IS OF RECENT ORIGIN ON THE MEXICAN POLITICAL AND ECONOMIC SCENE, AND THAT AT LEAST FOR THE LAST THREE DECADES MEXICO HAS STRIVEN HARD TO MAINTAIN GOOD RELATIONS WITH U.S., WHICH IS MARKET FOR ABOUT TWO-THIRDS OF ITS EXPORTS, AND PROVIDES AN EVEN LARGER PERCENTAGE OF NEEDED FOREIGN INVESTMENT.

5. THE GOM (PRINCIPALLY TREASURY) TECHNOCRATS WHO WORK ON MTN ISSUES ARE WELL AWARE OF THE DEPENDENCE OF MEXICO'S ECONOMY ON THE U.S., AND OF THE DANGERS OF IDEOLOGICAL CONFRONTATION, AND, IF LEFT ALONE, WILL SEEK TO WORK WITH THE U.S. AND OTHER GATT MEMBERS WITHIN THE SPIRIT OF THE TOKYO DECLARATION FOR KEY MEXICAN OBJECTIVE OF MORE LIBERALIZED WORLD TRADE FOR MEXICAN AND OTHER LDC PRODUCTS INCLUDING SPECIAL CONCESSIONS TO LDCS, AND BOUND GSP. HOWEVER, THEY ARE HIGHLY SUSCEPTIBLE TO INSTRUCTIONS FROM ABOVE, AND SHOULD PRESIDENT ECHEVERRIA SO ORDER, THEY COULD QUICKLY BECOME THORNY IRRITANTS WITHIN THE MTN FRAMEWORK.

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TO SECSTATE WASHDC 9425
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6. ECONOMIC REALITIES. A CLUSTER OF ECONOMIC PROBLEMS CLOUDS THE CURRENT ECONOMIC SCENE, AND THERE IS A DIVISION OF OPINION WITHIN THE GOM AS TO WHICH PROBLEM IS THE MOST SERIOUS AND WHAT STEPS TO TAKE. TREASURY OFFICIALS AND CENTRAL BANKERS HERE ARE PERHAPS MOST CONCERNED ABOUT MEXICO'S GROWING CURRENT ACCOUNT DEFICIT, EXPECTED TO EXCEED \$3 BILLION IN 1975. AS A RESULT THE GOM RECENTLY HAS UNDERTAKEN A SERIES OF MEASURES TO REDUCE THE FOREIGN TRADE DEFICIT (REF. C). ECONOMISTS WHO HAVE EXPRESSED GRAVE CONCERN OVER MOUNTING INFLATION IN MEXICO (THE RATE THIS YEAR WILL PROBABLY BE 20 PERCENT OR GREATER) HAVE IDENTIFIED FAST-GROWING PUBLIC SECTOR SPENDING AS RESPONSIBLE FOR MUCH OF THE INFLATIONARY PRESSURE AND WOULD ADVOCATE SHARPER CONTROL OF GOM SPENDING.

7. HOWEVER, POLITICALLY-ORIENTED GOM POLICY-MAKERS, ESPECIALLY CABINET SECRETARIES ANXIOUS TO POLISH THEIR OWN IMAGES BY ACCELERATED SPENDING PROGRAMS TO COMPLETE KEY LIMITED OFFICIAL USE

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PROJECTS, PROFESS TO SEE A DECLINE IN REAL GROWTH AS THE BIGGEST ECONOMIC PROBLEM FACING MEXICO, AND SUGGEST THAT PUBLIC SECTOR SPENDING WILL HELP ACCOMPLISH GDP GROWTH OBJECTIVES AS WELL AS MEETING THE NEEDS OF "SOCIAL JUSTICE." (MEXICAN POLITICIANS FIND POLITICALLY UNACCEPTABLE REAL GNP GROWTH RATES OF LESS THAN 4-5 PERCENT SINCE POPULATION GROWTH IS AT ABOUT 3.5 PERCENT.) GIVEN THE OPPOSING PRESSURES WITHIN THE GOM AND THE UNCERTAINTY AS TO WHICH VIEW WILL PREVAIL, IT IS DIFFICULT AT THIS TIME TO MAKE FIRM PREDICTIONS ABOUT THE FUTURE. IN THIS REGARD IT SHOULD BE NOTED THAT EXOGENOUS FACTORS, SUCH AS U.S. ECONOMIC HEALTH, HAVE A SIGNIFICANT EFFECT ON THE MEXICAN ECONOMY. BUT WHATEVER THE DECISIONS MADE WHICH WILL INFLUENCE THE ECONOMY IN 1976 AND BEYOND, IT DOES SEEM CLEAR THAT IN 1975 MEXICO WILL BE FACED WITH: 1) A REAL GDP GROWTH IN THE 4-4.5 PERCENT RANGE; 2) INFLATION OF 20 PERCENT OR MORE; 3) A CURRENT ACCOUNT DEFICIT OF \$3 BILLION OR MORE, EVEN IF STEPS TO REDUCE IMPORTS REPORTED REF. C ARE CARRIED OUT; AND 4) STAGNANT PRIVATE SECTOR INVESTMENT

UNTIL UNCERTAINTIES CONCERNING THE PRESIDENTIAL SELECTION
ARE CLARIFIED.

8. THESE ECONOMIC REALITIES, PARTICULARLY IF PROBLEMS
CONTINUE OR WORSEN IN 1976, DO NOT PROVIDE AN IDEAL
SETTING FOR MTNS, PARTICULARLY IN THE AREA OF MEXICAN
CONCESSIONS ON TARIFFS AND NTBS. IT IS ENCOURAGING THAT
EVEN IN THE FACE OF THESE ECONOMIC PROBLEMS MEXICO
CONTINUES TO BE INTERESTED IN TAKING AT LEAST PRELIMINARY
STEPS TOWARD EVENTUAL RATIONALIZATION AND LIBERALIZATION
OF ITS IMPORT CONTROL PROCEDURES (REFS D,E,F,G.)

9. ITEM 3: TRADE OBJECTIVES; MEXICAN POLICY SINCE LATE
1940S HAS BEEN TO CONTINUE TO IMPLEMENT AN EXTENSIVE
PROGRAM OF PROTECTION FOR DOMESTIC MANUFACTURING, MORE
THROUGH IMPORT LICENSING AND QUOTA RESTRICTIONS (QRS)
THAN BY PROTECTIVE TARIFFS, APPARENTLY ON GROUNDS
MEXICAN BELIEF THAT INELASTIC DEMAND FOR INTERMEDIATE
GOODS COUPLED WITH A LOCAL WILLINGNESS TO PAY A PREMIUM
FOR FOREIGN GOODS MAKE TARIFFS RELATIVELY LESS EFFECTIVE
IN RESTRICTING IMPORTS. A RESULT HAS BEEN THAT BOTH
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MEXICAN AND FOREIGN MANUFACTURERS HERE HAVE BENEFITTED,
AT THE COST OF ECONOMIC EFFICIENCY IN MANY CASES. HOWEVER,
AS STR AWARE(FROM RECENT VISIT AMB. DENT AND LANDE AND
REPORTING SUCH AS REFS. D,E, AND F) MEXICANS ARE NOW
LOOKING TOWARD LIBERALIZING AND RATIONALIZING IMPORT
CONTROLS, INCLUDING FAVORING OF TARIFFS OVER LICENSING
AND QRS, PRESUMABLY INTER ALIA ON GROUNDS GREATER
EFFICIENCY AND GREATER CONGRUENCY WITH GATT COUNTRIES.

10. AT LEAST FOR THE PRESENT, HOWEVER, QUOTAS ARE NOW
APPLIED TO ABOUT 80 PERCENT OF MEXICAN IMPORTS, IN-
CLUDING ALMOST ALL MANUFACTURED GOODS AND A FEW PRIMARY
PRODUCTS. IT SHOULD BE STRESSED THAT ALL CONSUMER GOODS
ARE UNDER LICENSING, AND THAT LICENSES ARE RARELY ISSUED.
IMPORT LICENSES FOR OTHER THAN CONSUMER GOODS ARE GRANTED
WHenever AN ITEM OF COMPARABLE QUALITY CANNOT BE OBTAINED
LOCALLY IN A TIMELY WAY AND AT A REASONABLE PRICE. (FOR
A DESCRIPTION OF THE LATEST DEVELOPMENT IN IMPORT POLICY,
SEE ANNEX TO REF. B, OUTLINING MEASURES OF IMPORT CONTROL
UNDERTAKEN IN VIEW DETERIORATING 1975 BALANCE OF PAYMENTS
ON CURRENT ACCOUNT.)

11. GOVERNMENT PROCUREMENT POLICIES, QRS, AND SUBSIDIES
ARE ALL USED IN VARYING DEGREES BY MEXICO TO STIMULATE
AND SHELTER ITS DOMESTIC PRODUCERS (FOR A FULL REPORT ON
NTBS IN GENERAL SEE MEXICO A-391 OF AUGUST 31, 1974).
SECRETARY OF INDUSTRY AND COMMERCE CAMPILLO SAINZ RECENTLY

OUTLINED SEVERAL SUCH MEASURES IN ANNOUNCING THE NEW IMPORT CONTROL PROGRAM (REF. C), INCLUDING ENCOURAGEMENT OF PRIVATE DOMESTIC PRODUCERS TO SUBSTITUTE TO THE DEGREE POSSIBLE FOR PUBLIC SECTOR IMPORTS, INTENSIFICATION OF EFFORTS OF PUBLIC SECTOR INDUSTRIES TO PRODUCE GOODS NOW BEING IMPORTED, BROADENING THE USE OF CEDIS(TAX REBATES ON EXPORTS), AND TAX REBATES FOR GOLD AND SILVER SALES ABROAD.

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12. REGIONAL AND BILATERAL DIMENSIONS. MEXICO IS AN ACTIVE MEMBER OF THE LATIN AMERICAN FREE TRADE AREA (LAFTA), AND ENJOYS A CLOSE RELATIONSHIP, THROUGH A JOINT COMMISSION, WITH THE ANDEAN PACT. MEXICO RECENTLY SIGNED A NON-PREFERENTIAL COMMERCIAL AGREEMENT WITH THE EC, AND IS NOW NEGOTIATING AN AGREEMENT WITH CEMA IN MOSCOW. BUT THESE ACTIVITIES DO NOT ECLIPSE THE BASIC REALITY REFERRED TO ABOVE OF MEXICO'S BILATERAL RELATIONS WITH THE U.S., WHICH INVOLVE SOME TWO-THIRDS OF MEXICAN TRADE.

13. MONETARY POLICY. IT HAS NOT BEEN NECESSARY TO USE MONETARY POLICY IN MEXICO TO INFLUENCE THE TRADE BALANCE PER SE SIMPLY BECAUSE OTHER, MORE DIRECT POLICIES SUCH AS QUOTAS AND LICENSING ARE AVAILABLE. LIKEWISE EXCHANGE RATE CHANGES HAVE NOT BEEN EMPLOYED IN RECENT YEARS; THE PESO-DOLLAR PARITY HAS NOT CHANGED SINCE 1954. MONETARY POLICY IS USED--SOME SAY CONSTRAINED--TO MAINTAIN THE PESO-DOLLAR PARITY AND TO THIS DEGREE IT DOES IMPACT LIMITED OFFICIAL USE

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ON THE TRADE BALANCE. IT SHOULD BE NOTED THAT THE PESO IS FREELY CONVERTIBLE FOR ALL TRANSACTIONS EXCEPT, DE FACTO, FOR IMPORTS. MONETARY POLICY IS EXERCISED BY THE CENTRAL BANK LARGELY THROUGH CHANGES IN RESERVE REQUIREMENTS. HOWEVER, THE CENTRAL BANK HAS RELATIVELY LITTLE POWER OVER ITS LENDING TO THE PUBLIC SECTOR. THE MONEY SUPPLY HAS INCREASED SUBSTANTIALLY IN RECENT YEARS AS A RESULT OF THIS LENDING. CREDIT EXPANSION BY PRIVATE BANKS HAS BEEN RESTRICTED BY THE CENTRAL BANK TO COMPENSATE, IN PART, FOR ITS ADVANCES TO THE PUBLIC SECTOR.

14. PRODUCER CARTELS. MEXICO HAS SHOWN AN AFFINITY FOR THE CONCEPT OF THE PRODUCER CARTEL, THOUGH IT NOW APPEARS THAT IT WILL NOT JOIN OPEC IN THE NEAR FUTURE. MEXICO WAS ACTIVE IN ORGANIZING LA SUGAR PRODUCERS (THOUGH ACTIVITIES TO DATE ARE SHORT OF A "CARTEL" ARRANGEMENTS). MEXICO IS ACTIVE THROUGH FAUSTO CANTU PENA IN WORLD COFFEE ORGANIZATION AFFAIRS. OF COURSE, MEXICO IS A CO-SPONSOR WITH VENEZUELA (AND CUBA AS A SILENT PARTNER) IN THE ORGANIZATION OF THE SISTEMA ECONOMICO LATINOAMERICANO (SELA). LA DELEGATES MET RECENTLY IN PANAMA (PANAMA 4720), AND INTER ALIA APPROVED A RESOLUTION FAVORING SELA'S CREATION.

15. ANNEX A. KEY AGENCY FOR MEXICO'S TRADE POLICY FORMULATION PROCESS IS TREASURY, WHOSE SECRETARY, LIC. JOSE LOPEZ PORTILLO, HEADS CABINET-LEVEL COMITE INTERSECRETARIAL DE NEGOCIACIONES COMERCIALES, INTER-AGENCY TRADE NEGOTIATIONS COMMITTEE, COMPOSED OF SECRETARY OF INDUSTRY AND COMMERCE JOSE COMPILLO SAINZ; SECRETARY OF AGRICULTURE OSCAR BRAUER; SECRETARY OF FOREIGN RELATIONS EMILIO RABASA; DIRECTOR GENERAL OF BANK OF MEXICO ERNESTO FERNANDEZ HURTADO; DIRECTOR GENERAL OF FOREIGN TRADE BANK FRANCISCO ALCALA; AND FOREIGN TRADE INSTITUTE DIRECTOR JULIO FAESLER. THIS INTER-AGENCY COMMITTEE HAS A COORDINATING UNIT, HEADED BY HECTOR HERNANDEZ, DIRECTOR GENERAL OF INTERNATIONAL ECONOMIC AFFAIRS, TREASURY, AND COMPOSED OF ONE MEMBER OF EACH AGENCY REPRESENTED ON THE CABINET-LEVEL GROUP DESCRIBED ABOVE. A TECHNICAL STAFF SECRETARIAT DRAWN FROM TREASURY

EMPLOYEES AND LOCATED NEAR HERNANDEZ'S OFFICE PROVIDES THE
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COORDINATING UNIT WITH STAFF SUPPORT AS NEEDED.

16. RELATIVE INFLUENCE. WHILE TREASURY CLEARLY HAS THE MOST IMPORTANT ROLE IN TRADE POLICY FORMULATION AND IN MULTILATERAL TRADE NEGOTIATIONS, THE SECRETARIAT OF COMMERCE ALSO IS DEEPLY INVOLVED, PARTICULARLY UNDER SECRETARY OF COMMERCE ELISEO MENDOZA BERRUETO, WHO OFTEN SITS IN FOR CAMPILLO SAINZ AT INTER-AGENCY MEETINGS; AND UNDER SECRETARY OF INDUSTRY GUILLERMO BECKER, WHO HAS APPEARED AS A PUBLIC SPOKESMAN FOR THE GOM ON TRADE MATTERS IN RECENT MONTHS. MENDOZA BERRUETO AND BECKER DRAW THEIR STAFF SUPPORT LARGELY FROM THE SECRETARIAT OF INDUSTRY AND COMMERCE (SIC) DIRECTORATE GENERAL FOR INTERNATIONAL AFFAIRS, HEADED BY ROBERTO DAVILA GOMEZ-PALACIO, WHO IS ASSISTED INTER ALIA BY SALVADOR ARREOLA. TECHNICAL ADVICE ON TRADE POLICY MATTERS IS PROVIDED BY AGRICULTURE, THE FOREIGN TRADE BANK, AND THE FOREIGN TRADE INSTITUTE. THE SECRETARIAT OF FOREIGN AFFAIRS (FON SEC) APPARENTLY PLAYS LITTLE MORE THAN A CEREMONIAL ROLE IN TRADE POLICY FORMULATION, AND FONSEC PERSONNEL ARE GENERALLY THIN IN THE AREA OF ECONOMIC TRAINING AND INTEREST.

17. IT IS IMPORTANT TO NOTE THAT THE VERY CONSIDERABLE TECHNICAL AND PROFESSIONAL RESOURCES OF THE BANK OF MEXICO, WHICH IS RICH IN ECONOMIC ANALYTICAL EXPERTISE AND EXPERIENCE, TENDS TO BE USED OFTEN AS A RESOURCE BY SENIOR TREASURY OFFICIALS, SINCE, UNLIKE THE SITUATION IN THE U.S., THE CENTRAL BANK OF MEXICO IS A DEPENDENCY OF TREASURY, WITH THE SECRETARY OF THE TREASURY HEADING ITS BOARD OF DIRECTORS. TRAINED BANK OF MEXICO PERSONNEL (E.G. GARRIDO, SEE BELOW), ARE OFTEN SENT ON EXTENDED DETAIL TO TREASURY OR OTHER OFFICES WHEN THEIR EXPERTISE IS REQUIRED.

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18. ANNEX B. JUST BELOW THE CABINET-LEVEL INTER-AGENCY GROUP DESCRIBED ABOVE IS THE DIRECTORATE OF INTERNATIONAL ECONOMIC AFFAIRS IN THE TREASURY, HEADED BY HECTOR HERNANDEZ, AND WHOSE KEY OFFICIAL IN TRADE POLICY AND NEGOTIATIONS IS SUB-DIRECTOR FOR INTERNATIONAL AFFAIRS ABEL GARRIDO. ACTUALLY SEPARATING HERNANDEZ AND GARRIDO IN THE HIERARCHY IS THE DEPUTY DIRECTOR FOR TARIFFS AND INTERNATIONAL AFFAIRS LUIS BRAVO AGUILERA, BUT HE HAS NOT BEEN NEARLY AS ACTIVE IN THESE MATTERS AS HERNANDEZ AND GARRIDO. GARRIDO, WHO IS OF COURSE WELL-KOWN TO STR, WILL BE ASSIGNED PERMANENTLY TO HEAD MEXDEL MTN GENEVA WITHIN THE NEXT TWO MONTHS, AND WILL HAVE A FOUR TO FIVE OFFICER PERMANENT STAFF WITH HIM THERE. THESE OFFICERS, NOT YET DEFINITELY SELECTED, WILL INCLUDE TWO TREASURY OFFICERS, ONE FROM AGRICULTURE, ONE INDUSTRY AND COMMERCE, AND PERHAPS ONE FROM EITHER THE FOREIGN TRADE BANK OR THE FOREIGN TRADE INSTITUTE. OFFICE SPACE IN GENEVA HAS BEEN LEASED, AND THE MEXICAN DELEGATION SUITE IS NOW BEING LIMITED OFFICIAL USE

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FURNISHED.

19. FREQUENT TRAVEL. GARRIDO HAS TOLD US THAT HE PLANS TO SPEND ABOUT SIX OUT OF EVERY SEVEN WEEKS IN GENEVA, WITH THE SEVENTH WEEK DEVOTED TO CONSULTATIONS IN MEXICO CITY, AND, AS REQUIRED, IN WASHINGTON. WHILE IN WASHINGTON, HE WILL ALSO ATTEMPT TO FOLLOW CIES,

AND SCCN AFFAIRS, FOR WHICH HE WILL REMAIN IN PART RESPONSIBLE.
HE HAS TOLD US THAT HE HOPES BY FAIRLY FREQUENT U.S. TRIPS
TO MAINTAIN LIAISON NOT ONLY WITH US DEL MTN IN GENEVA
BUT ALSO WITH APPROPRIATE STR OFFICIALS IN WASHINGTON.

15. ANNEX C. EMBASSY RECOMMENDS FOLLOWING DOCUMENTS AS
RELEVANT TO COMPILATION ANNEX C: MEXICO A-56 OF 2/26/75
ON MEXICAN ECONOMY; MEXICO A-69 OF 3/5/75 ON MEXICAN
FOREIGN POLICY; MEXICO A-116 OF 3/27/75, COUNTRY ANALYSIS
AND STRATEGY PAPER(CASP); MEXICO A-145 OF 4/17/75,
ECONOMIC TRENDS REPORT; MEXICO A-298 OF 7/29/75 ON MEXICAN
ECONOMY; MEXICO 6950 ON STR DENT VISIT;
AND MEXICO 7040 ON NEW MEXICAN IMPORT REGIME.
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Draft Date: 14 AUG 1975
Decaption Date: 01 JAN 1960
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
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Executive Order: N/A
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Film Number: D750281-0947
From: MEXICO
Handling Restrictions: n/a
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Line Count: 507
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